




**PLACER
LAFCO**

Town of North Tahoe Incorporation
Agency Informational Meeting:
April 28, 2026

1

Meeting Summary

- Provide overview of the incorporation process
- Summarize the proposed application
- Review Comprehensive Fiscal Analysis and CEQA requirements
- Identify opportunities for agency input and coordination
- Answer questions regarding process and timeline



2

Trivia – How many incorporated cities and towns are there in California?

- a. 784
- b. 583
- c. 483
- d. 391

Correct Answer: C – There are 483 incorporated municipalities in the state.



3

As California Grew, So did Number of Cities



Source: 2025 CALAFCO Incorporation Session



4

Trivia – Which California county contains the most incorporated cities?

- a. Orange County
- b. Riverside County
- c. San Bernardino County
- d. Los Angeles County

Correct Answer: D – There are 88 cities in Los Angeles County.



5

Trivia – What is the name of the independent public agency in each county responsible for overseeing city incorporations and boundary changes?

Correct Answer: LAFCO (Local Agency Formation Commission)



6

LAFCO Background

- What is LAFCO?
- Established under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
- Independent public agency in each county
- Responsible for:
 - Boundary changes (annexations, consolidations, formations, incorporations, etc.)
 - Extension of Services outside agency boundaries
 - Spheres of Influence
 - Municipal Service Reviews



7

LAFCO Role in Incorporations

- Review and evaluate incorporation proposals
- Prepare:
 - Comprehensive Fiscal Analysis (CFA)
 - Environmental Review (CEQA)
- Consider:
 - Proposed boundary
 - Service delivery structure
 - Fiscal impacts
- Authority to:
 - Approve, conditionally approve, or deny
 - Place on ballot for voter approval



8

Reasons for Proposal

- **Local Governance and Decision-Making:** Provide for local governance and decision-making through a locally elected Town Council; more direct local control of and for community-level services.
- **Regional Representation:** Strengthen the voice and influence of eastern Placer County which will otherwise continue to diminish as population growth continues to shift westward in Placer County, absorbing more of the County's attention and resources.
- **Regional Collaboration:** Provide opportunities for greater collaboration and interaction with neighboring local government jurisdictions and special districts, along with state, regional, and federal agencies that operate in all or portions of the proposed Town boundaries.



11

Trivia – Which city was the very first to incorporate in California?

- a. Sacramento **Correct Answer: A** – Sacramento incorporated on February 27, 1850.
- b. San Diego
- c. San Francisco
- d. San Jose
- e. Benicia



12

Trivia – What is the most recent successful incorporation in California?

- a. Jurupa Valley
- b. Mountain House
- c. Eastvale
- d. Menifee

Correct Answer: B – Mountain House incorporated in 2024.

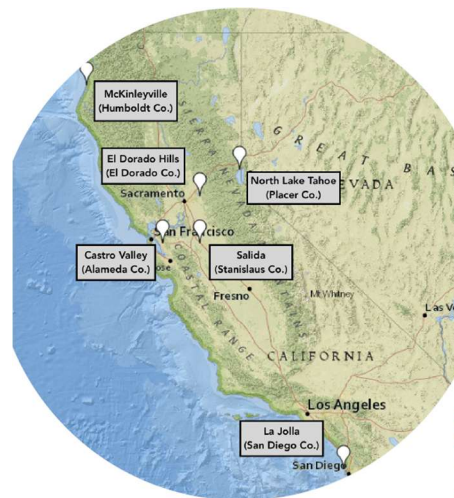


13

Trivia – How many incorporation proposals (pre-application and application) are in the works in California?

- a. 2
- b. 6
- c. 4
- d. 3

Correct Answer: B – There are at least 6 incorporation proposals in various planning phases.



Source: 2025 CALAFCO Incorporation Session

14

Key Proposal Components

- Incorporation of new city: Town of North Tahoe
- Town would assume:
 - Municipal services currently provided by County
 - Independent special districts would remain in place and continue providing services
 - Certain services would be provided by contract with the County
- Establishment of a coterminous Sphere of Influence
- Subject to LAFCO approval and subsequent voter approval



15

Special Districts

Entirely within proposed boundary:

- North Tahoe Fire Protection District
- North Tahoe Public Utility District
- Tahoe City Cemetery District
- Alpine Springs County Water District
- Olympic Valley Public Service District
- Northstar Community Services District
- McKinney Water District
- Talmont Resort Improvement District

Partially within proposed boundary:

- Placer County Service Area 28
- Tahoe Forest Hospital District
- Truckee Fire Protection District
- Truckee Sanitary District
- Tahoe Truckee Unified School District
- Truckee Tahoe Airport District
- Tahoe-Truckee Sanitation Agency
- Truckee Donner Public Utility District
- Truckee Donner Recreation and Park District
- Placer County Water Agency
- Tahoe City Public Utility District



16

Current Status

- Petitioned deemed sufficient (January 26, 2026)
- Application submitted to LAFCO (February 25, 2026)
- Notice of Filing issued (March 23, 2026)
- Informational Agency Meeting (April 28, 2026)
- **Agency comments due: May 15, 2026**
- CFA scoping underway



17

Role of Agencies

- Provide early comments and considerations
- Identify:
 - Coordination preferences
 - Service concerns
 - Fiscal or operational considerations
- Participate in:
 - CFA data requests and review
 - CEQA review



18

Comprehensive Fiscal Analysis (CFA)

- Required under Gov. Code section 56800
- Responsibility of LAFCO (paid for by applicant)
- Prepared by consultant
- Evaluates:
 - Revenues, expenditures, and resulting fiscal condition of the proposed town
 - Fiscal impacts on the County and other affected agencies
 - Provides a neutral foundation for decision-making



19

CFA Approach (Two Phases)

- Phase 1: Review Boundary and Plan for Service Assumptions
 - Review proposed incorporation boundary
 - Identify potential boundary alternatives
 - Assess service delivery structure, governance, and organizational assumptions
 - Conduct high-level fiscal screening to inform decision making
 - Recommend preferred boundary and service plan scenario for Phase 2



20

CFA Approach (Two Phases)

- Phase 2: Detailed Fiscal Modeling
 - Analyze preferred boundary and service plan scenario
 - Establish base year municipal budget
 - Develop and apply property tax allocation assumptions
 - Prepare multi-year revenue and expenditure projections
 - Evaluate the resulting fiscal condition of the proposed town
 - Identify fiscal impacts to affected agencies
 - Support revenue neutrality discussions



21

Revenue Neutrality

- Ensures incorporation does not result in disproportionate fiscal harm to existing service providers
- Incorporations should result in a similar exchange of both revenue and service responsibilities
- As part of terms and conditions, the Commission may approve if the parties (e.g., County and proponents) agree to the proposed transfer or if the negative fiscal effects are mitigated via revenue neutrality agreements.



22

CEQA Analysis

- LAFCO is the Lead Agency for CEQA
- The application indicates no proposed changes to land use designations, zoning, or Tahoe Basin Area Plan policies
- The scope and level of environmental review have not yet been determined
- Will be informed by:
 - Agency consultation and input
 - CFA findings (service assumptions and boundaries)



23

Incorporation Process



24

Application

- Initiated by petition (25% of registered voters)
- LAFCO certified petition sufficiency (reviewed by ROV)
- Incorporation application submitted to LAFCO
- Notice of Filing to affected and interested agencies
- CFA scoping and consultant selection
- CEQA scoping



25

LAFCO Review

- Conduct Comprehensive Fiscal Analysis (CFA)
- Facilitate revenue neutrality discussions
- Prepare terms and conditions
- Prepare for public hearing



26

Commission Considerations

- Publish CFA
 - State Controller Review (GC 56801) if requested
- Public Hearing
- Findings (GC 56720)
 - Consistency with CKH
 - Review SOI
 - Reviewed CFA and EO Report
 - Revenues are sufficient to provide services and a “reasonable” reserve during 3 years of operation
- Terms and Conditions
 - Property tax exchange (GC 56810)
 - Provisional Gann Limit (GC 56812(b))
- Protest Hearing not required (GC 57077)



27

Election

- Commission resolution calling for election (GC 57077 & 57116)
- Ballot language (GC 57133)
- May be special or general election
- Executive Officer submits impartial analysis (GC 57144)



28

Transition (New Town)

- Hire City Manager, who then hires other staff
- Hire City Attorney
- Enact code (typically from County or existing agencies)
- Enter into reimbursement loans with County if necessary
- Adopt own General Plan and Zoning Code
- Some taxes delayed



29

Incorporation Process



30

Key Takeaways

- This is a multi-step, multi-agency process
- CFA and CEQA are critical next steps
- Agencies play an important role in data, coordination, input
- Additional opportunities for review and comment



31

Upcoming Commission Presentation

- Date: Wednesday, May 13, 2026
- Time: 4:00 P.M.
- Location: Placer County Administrative Building (Board of Supervisors' Chambers) 175 Fulweiler Ave, Auburn, CA 95603



32

Notice of Filing – Agency Comments

- Agency Comments Due: May 15, 2026
- Submission options: Project Comment Form or formal letter
- Email: lafco@placer.ca.gov
- Phone: (530) 889-4097



33

Questions / Comments

Placer Local Agency Formation Commission (LAFCO)

 **Email:** lafco@placer.ca.gov

 **Phone:** (530) 889-4097

 **Webpage:** www.placerlafcoa.gov/northtahoeinc

We welcome your questions and feedback throughout this process



34